Views Expressed by the Chairman International Federation of Risk and Insurance Management Association

*31. SHRI CHATURANAN MISHRA:
SHRI GURUDAS DAS GUPTA:

Will the Minister of FINANCE be pleased to state:

(a) whether Government's attention has been drawn to the views expressed by Mr. Kevin Knight, Chairman of the International Federation of Risk and Insurance Management Association during an interview given to 'The Economic Times (13.10.95) on the Government of India's plan to open the Insurance sector to private sector; and

(b) if so, the gist of the views expressed by him and Government's reaction thereto?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (DR. DEBIPROSAD PAL): (a) and (b) Shri Kevin Knight, Chairman, International Federation of Risk and Insurance Management is reported to have given an interview to the 'Economic Times, published by it on the 13th October, 95 in which he appears to have commented on some aspects of the likely reforms programme for the insurance industry in India.

He is reportedly of the view that opening of the insurance industry to private firms should be deferred by two to three years whilst the existing public sector industry embarks on a programme to acquire greater competitive edge. As a step towards this objective, they should be given greater freedom, and Government should divest some of its holding in the industry. While doing so the model adopted by Australia in the case of Quantas, its premier airline, could be followed, which limited foreign holding in the company to 49%. He is of the opinion that the companies should perform in an environment in which market laws operate, and this would compel the eixsting industry to acquire a greater consumer orientation. He expressed general agreement with several of the recommendations of the Malhotra Committee. He felt that the greatest challenge was for both the public sector staff and manangement to overcome thier fear of change. It was only by accessing global markets and facing competition that the public companies would overcome fears. Finally he appears to have commented on the need for a level playing field for all the players, which was the essence of competition, and the insurance industry had to wake up to this challenge.

Most of these issues have been dealt with by the Committee on Reforms in the Insurance Sector (the Malhotra Committee), and while taking decisions on its recommendations all relevant aspects will be carefully weighed by Government.

Development of Trourist Spots in Orissa

*32. SHRI BHAGABAN MAJHI: Will the Minister of CIVIL AVIATION AND TOURISM be pleased to state:

(a) whether some State Governments have identified tourist spots for development;

(b) if so, the names of tourist spots identified in Orissa;

(c) whether Government propose to sanction grants for the development of those tourist spots; and

(d) if so, the details thereof?

THE MINISTER OF CIVIL AVIATION AND TOURISM (SHRI GHULAM NABI AZAD): (a) Identification and development of tourist spots by the State Governments is an on-going process.

(b) The State Government has identified 193 tourist centres in a report prepared in 1995.

(c) and (d) Based on detailed proposals received from the State Government, a sum of Rs. 340.00 lakhs was sanctioned as central financial assistance to Orissa

during the first three years of Eighth Plan period.

Setting up of HPT and LPT in Orissa

*33. SHRI SARADA MOHANTY: Will the Minister of INFORMATION AND BROADCASTING be pleased to state:

(a) the number of High Power and Low Power T.V. Transmitters set up at different places of Orissa as on date;

(b) whether Government propose to set up some new HPT and LPT centres in the country during the 8th Plan;

(c) if so, the sites selected therefor; and

(d) the State-wise details thereof?

THE MINISTER OF INFORMATION AND BROADCASTING (SHRI P.A. SANGMA): (a) to (d) 3 High Power Transmitters, 48 Low Power Transmitters, 1 Very Low Power Transmitter and 1 transposer are, at present, functioning in Orissa for relaying Primary Channel (DD-1) service. In addition, 1 High Power Transmitter, 4 Low Power Transmitters and 2 Very Low Power Transmitters are in operation in the State for relaying Metro Channel (DD-2) service.

With a view to further argument terrestrial TV service, a number of transmitters of varying powers are presently under implementation/envisaged to be set up in the country during the remaining period of 8th Plan, depending on availability of resources and other infrastructural facilities required for the purpose. The requisite details (Statewise) are given in the annexure [*See* Appendix 175, Annexure No. 1]

Imbalance in air traffic

*34. SHRI K. R. MALKANI: Will the Minister of CIVIL AVIATION AND TOURISM be pleased to state:

(a) whether the Air India share in the World Air Traffic has been continuously falling (vide Times of India, dated the 12th February, 1995) and if so, the measure of the fall and the reasons therefor;

(b) whether the Bermuda One type agreement—alloowing any number of flights by any number of airlines of the other contracting country resulting, for example, in 25 U.S. flights to India as against only seven Indian flights to USA is mainly responsible for this decline (vide Indian Express dated the 9th September, 1995);

(c) whether Government will consider renegotiaing this treaty as U.K., France, Germany and Japan have already done with USA; and

(d) whether Government have any other scheme to correct this imbalance in air traffic?

THE MINISTER OF CIVIL AVIATION AND TOURISM (SHRI GHULAM NABI AZAD): (a) While the market share of Air India has declined from 24.5% of the total International traffic to/from India in 1990 to 20.4% in 1994, the market share of Indian carriers (including Indian Airlines) has marginally improved from 30.5% in 1990 to 30.6% in 1994.

(b) Of the 76 Air Services Agreements signed/initialled by India with other countries, only one Agreement, signed with the United States in 1956, is of Bermdua-I type. The current operations are quite balanced with Air India operating 7 services (2800 seats) per week and US Airlines operating 9 services (2200 seats) per week on the India-USA route.

(c) Negotiations on Air Services Agreement are already in progress with the U.S. Government.

(d) In order to improve its market share, Air India is taking steps to expand its operations, upgrade its product, image and on time performance.